

DEPARTMENT OF FOOD AND AGRICULTURE

A.G. Kawamura, Secretary

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October 13, 2005

**RE: REVISED ANNOUNCEMENT OF MINIMUM PRICES FOR
CLASS 1 MARKET MILK**

TO ALL INTERESTED PARTIES:

The following price letter is a revised version of the Class 1 price letter issued by the Department on October 7, 2005. Due to Columbus Day (a state and federal holiday) falling on the 10th of the month, the previous Class 1 price letter inadvertently excluded the daily butter and cheese prices as reported at the Chicago Mercantile Exchange on October 10, 2005. Class 1 prices for the month of November 2005 have been revised and appear on the opposite side of this price letter.

All prices are f.o.b. milk processing plant. As provided in the Stabilization and Marketing Plans for Market Milk (Plans), milk handlers shall pay producers the minimum prices for market milk components sold or used for all Class 1 purposes as specified on the reverse side of this page. Component and hundredweight prices include Milk Producers Security Trust Fund charges effective June 1, 2002.

If market milk components are purchased f.o.b. producer's dairy location, haul deductions may be made as provided in the Plans.

Equivalent hundredweight prices shown in the right-hand column are based upon milk that is 3.5% fat and 8.7% solids-not-fat (SNF). These classified minimum prices that processors must pay for milk received from producers are calculated based upon mathematical formulas. The formulas are established and amended as needed through a public hearing process. These formulas include commercial prices for manufactured dairy products (butter, Cheddar cheese and nonfat dry milk). These commercial prices are also listed on the reverse side of this page.

This price information is also available on a recorded message. Please call (800) 503-3490 to hear the recording. If you are calling from Sacramento or from outside of California, please call (916) 442-MILK. You can also access this information over the Internet on the Department's Homepage. The address is <http://www.cdfa.ca.gov/dairy>. From the Homepage, select the [Dairy Prices] link and then the [Minimum Class Price Letters] link. Once there, be sure to make a bookmark for future reference.

For more information, please contact us at the phone numbers or e-mail address above.

Sincerely,

ORIGINAL SIGNED BY CANDACE GATES FOR

David K. Ikari, Chief
Dairy Marketing Branch

REVISED TO INCLUDE OCTOBER 10TH
DAILY PRICES FROM THE CHICAGO MERCANTILE EXCHANGE

COMMODITY REFERENCE PRICE FOR NOVEMBER CLASS 1 PRICING: \$15.2790